

Message Text

LIMITED OFFICIAL USE

PAGE 01 OTTAWA 03841 01 OF 02 021730Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 STR-07 CEA-01 DODE-00
PM-05 H-01 L-03 NSC-05 PA-01 SS-15 /101 W
-----052400 021740Z /42

P 021716Z AUG 78
FM AMEMBASSY OTTAWA
TO SECSTATE WASHDC PRIORITY 8259
INFO USMISSION USNATO
AMEMBASSY BONN
AMEMBASSY BRUSSELS
ALL OTHER CANADIAN POSTS POUCH

LIMITED OFFICIAL USE SECTION 01 OF 02 OTTAWA 03841

BRUSSELS FOR USEC

E.O. 11652: N/A
TAGS: ECIN, EFIN, ECON, CA GW
SUBJECT: MAJOR GOC TRADE EFFORT LAUNCHED DURING STATE
VISIT TO BONN BY PM TRUDEAU

REF: OTTAWA 3759

1. SUMMARY: DURING 3-DAY STATE VISIT IN FRG FOLLOWING
BONN SUMMIT, PRIME MINISTER TRUDEAU LAUNCHED MAJOR CAMPAIGN
TO INCREASE AWARENESS OF CANADA IN WEST GERMAN BUSINESS
CIRCLES. IN THIS TEST OF GOC THIRD OPTION POLICY,
CANADIANS PLAYED THEIR NATO CARD: CANADIAN POLITICAL/
MILITARY SUPPORT FOR FRG THROUGH NATO, AND COMMITMENT TO
BERLIN, SHOULD BE BALANCED BY STRONGER TRADE AND INVEST-
MENT FLOWS TO CANADA. GOC IS SATISFIED WITH MANNER IN
WHICH THIS EFFORT HAS BEEN LAUNCHED, BUT RECOGNIZES THAT
UPHILL STRUGGLE REMAINS. END SUMMARY.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OTTAWA 03841 01 OF 02 021730Z

2. FOLLOWING BONN ECONOMIC SUMMIT (JULY 15-16), PRIME
MINISTER TRUDEAU SPENT THREE DAYS IN FRG ON STATE VISIT,
IN RETURN FOR VISIT PAID BY CHANCELLOR SCHMIDT TO CANADA
IN 1976. ACCORDING TO DEPT. EXTERNAL AFFAIRS OFFICIAL
(E. HEBERT, DIRECTOR, EUROPE II DIVISION) WHO BRIEFED EMB-
OFF ON VISIT, GOC WAS IMPRESSED BY FACT SCHMIDT SCHEDULED

ONLY TWO PRIVATE VISITS SURROUNDING THE SUMMIT, PRESIDENT CARTER IN ADVANCE AND TRUDEAU FOLLOWING.

3. IN ADDITION TO PRIVATE CONVERSATIONS WITH SCHMIDT, TRUDEAU USED VISIT TO LAUNCH PUBLIC RELATIONS CAMPAIGN TO MAKE CANADA MORE WELL KNOWN IN FRG, ESPECIALLY WITHIN COMMERCIAL, FINANCIAL AND INDUSTRIAL CIRCLES, WITH OBJECTIVE OF DEVELOPING STRONGER TRADE AND INDUSTRIAL COOPERATION.

4. ACCORDING TO HEBERT, CANADIAN MESSAGE WAS STRAIGHT-FORWARD: CANADA'S POLITICAL/MILITARY SUPPORT FOR FRG SHOULD BE RECIPROCATED BY GERMAN EFFORTS TO STRENGTHEN ECONOMIC BONDS. TRUDEAU CITED CANADIAN COMMITMENT TO BERLIN AND ACTIONS IN NATO, INCLUDING MAJOR INCREASES IN DEFENSE SPENDING TO REVITALIZE CANADIAN FORCES IN EUROPE. CANADA'S RELATIONSHIP WITH FRG SHOULD BE PARTNERSHIP, WITH CLEAR BENEFITS FOR BOTH COUNTRIES. MOREOVER, TRUDEAU POINTED OUT THAT GERMAN EFFORTS AT THIS TIME COULD IMPROVE CANADA'S ECONOMIC CLIMATE AND ASSIST COUNTRY THROUGH CURRENT UNITY CRISIS.

5. THIS MESSAGE WAS CONVEYED TO SCHMIDT AND TO INDUSTRIAL, FINANCIAL AND COMMERCIAL LEADERS AS TRUDEAU AND MINISTERS (FINANCE MINISTER CHRETIEN, EXTERNAL AFFAIRS MINISTER JAMIESON, ASWELLAS PRIVY COUNCIL CLERK PITFIELD) FANNED OUT ACROSS FRG FOLLOWING SUMMIT. LUNCHEONS AND DINNERS, LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OTTAWA 03841 01 OF 02 021730Z

WITH ALMOST EXCLUSIVE FOCUS ON BUSINESS FIGURES, WERE HOSTED IN BONN, HAMBURG, DUSSELDORF AND FRANKFURT. JAMIESON'S VISIT TO BERLIN (REPORTED BERLIN 1741) WAS STAGED TO HIGHLIGHT POLITICAL SUPPORT WHICH CANADA PROVIDES FRG.

6. ACCORDING TO HEBERT, IN RESPONSE TO TRUDEAU'S OVER-TURE FOR EXPANSION OF TRADE TIES, SCHMIDT MADE MAJOR PITCH TO HAVE GOC SELECT PANAVIA TORNADO IN NEW FIGHTER AIRCRAFT COMPETITION. SCHMIDT ARGUED THAT THERE WAS NO BETTER WAY CANADA COULD STRENGTHEN ITS CONTRACTUAL LINK WITH EC THAN BY PURCHASING TORNADO, A TRANSACTION WHICH WOULD INVOLVE THREE EUROPEAN COMMUNITY MEMBERS AND GENERATE MAJOR FLOW OF TRADE AND INVESTMENT BETWEEN EUROPE AND CANADA. TRUDEAU REPORTEDLY TOOK NOTE OF SCHMIDT ARGUMENT BUT SAID GOC SELECTION CRITERIA WOULD REMAIN UNCHANGED, I.E. QUALITY AIRCRAFT WHICH MEETS SPECIFIC REQUIREMENTS OF CANADA.

7. CANADIAN OFFICIALS ASSESSED CAMPAIGN OF TRUDEAU AND COMPANY AS EXTREMELY SUCCESSFUL IN PENETRATING FRG BUSINESS CONSCIOUSNESS. THEY RECOGNIZED THAT IT WILL TAKE 2 OR 3 YEARS OF CONTINUED EFFORT BEFORE ANY DEGREE OF SUCCESS CAN

BE DETERMINED. AMONG OBSTACLES WHICH MUST BE TACKLED ARE CONCERNS OF WEST GERMAN BUSINESSMEN OVER CANADA'S FOREIGN INVESTMENT REVIEW AGENCY (FIRA) (DESIGNED TO OVERSEE AND CONTROL FOREIGN INVESTMENT IN CANADA), CANADA'S CHRONIC LABOR DIFFICULTIES AND ITS HIGH INFLATION RATE.

8. AS FOLLOW UP, BOTH COUNTRIES AGREED TO HOLD ANNUAL TALKS ON POLITICAL, ECONOMIC AND FINANCIAL ISSUES, AT AD"SENIOR OFFICIAL LEVEL" (DEPUTY MINISTER OR LOWER), ALTERNATING BETWEEN OTTAWA AND BONN. ALSO, JOINT COMMUNIQUE SAID MISSION OF CONFEDERATION OF GERMAN INDUSTRY (BDI) WOULD VISIT CANADA IN FALL TO EXPLORE POSSIBILITIES FOR PRACTICAL COOPERATION IN ECONOMIC FIELD.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 OTTAWA 03841 02 OF 02 021731Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-10 NSAE-00 ICA-11 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 STR-07 CEA-01 DODE-00
PM-05 H-01 L-03 NSC-05 PA-01 SS-15 /101 W
-----052422 021740Z /42

P 021716Z AUG 78
FM AMEMBASSY OTTAWA
TO SECSTATE WASHDC PRIORITY 8260
INFO USMISSION USNATO
AMEMBASSY BONN
AMEMBASSY BRUSSELS
ALL OTHER CANADIAN POSTS POUCH

LIMITED OFFICIAL USE SECTION 02 OF 02 OTTAWA 03841

9. COMMENT: HEBERT INDICATED THAT GOC VIEWS THIS EFFORT WITH FRG AS A MAJOR TEST OF "THIRD OPTION" POLICY (LAUNCHED IN 1972 AS ALTERNATIVE TO CLOSER OR LESS CLOSE TIES WITH U.S., AND ENVISIONING CONTINUED RELATIONSHIP WITH U.S. WHILE STRENGTHENING TIES ELSEWHERE). HEBERT NOTED THAT IF THIRD OPTION GAMBIT WITH THE FRG IS NOT SUCCESSFUL THEN THE POLICY IS FOR ALL INTENTS AND PURPOSES DEAD. IN HIS VIEW "THE THIRD OPTION CANNOT WORK WITHOUT THE FRG." DUEMLING

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE, VISITS
Control Number: n/a
Copy: SINGLE
Draft Date: 02 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978OTTAWA03841
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780316-0530
Format: TEL
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197808107/aaaadlwd.tel
Line Count: 167
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 2f058b58-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 OTTAWA 3759
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1561310
Secure: OPEN
Status: NATIVE
Subject: MAJOR GOC TRADE EFFORT LAUNCHED DURING STATE VISIT TO BONN BY PM TRUDEAU
TAGS: ECIN, EFIN, ECON, CA, GE, STATE
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/2f058b58-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014